

FY06

COMPENSATION BOARD BUDGET HEARING

April 8, 2005 – VERONA, VA

11:00 a.m.

**Frank Drew, Chairman
Walter J. Kucharski, Member
Kenneth W. Thorson, Member**

AGENDA
Compensation Board Budget Hearings
April 8, 2005 - Verona, VA

11:00AM	Welcome and Introduction	Bruce W. Haynes
11:05	Remarks	Frank Drew
11:10	Compensation Board FY06 Budget Priorities and Legislative Issues	Bruce W. Haynes
11:25	FY06 Budget Issues & Reimbursement Policies	Robyn M. de Socio and Charlotte W. Luck
11:40	General Questions	
11:50	Office Specific Questions and Concerns	
	Sheriffs and Governing Bodies	Frank Drew and Robyn M. de Socio
	Commonwealth's Attorneys and Clerks	Walter J. Kucharski and Bruce W. Haynes
	Treasurers and Commissioners	Kenneth W. Thorson and Charlotte W. Luck

COMPENSATION BOARD FY06 BUDGET PRIORITIES

The Compensation Board develops priorities each year to be used in establishing the budgets for all Constitutional Officers. Following are general priorities the Compensation Board is following, based upon the requests made by Constitutional Officers in their annual budget requests and General Assembly actions, in establishing FY06 base budget amounts:

- ◆ Level funding of existing base budgets for personnel, including salaries for permanent positions, fringe benefits, and hourly-wage/temporary funding
 - Please note that budget reductions in your offices that have resulted in reduced salaries, temporary budgets, office expenses and some additional allowances in FY04 have not been restored for the current biennium. Consequently, FY06 base budgets have been established at the same level as in FY05. The new budgets do, however, include annualization of the December 2004 salary increase.
- ◆ Allocation of positions and funding established through legislative actions
- ◆ Salary adjustments for Constitutional Officers changing population groups
- ◆ Reclassifications where there is no salary cost
- ◆ Allocation of positions based on the position reallocation policy
- ◆ No funding will be provided for equipment for any Commonwealth's Attorneys, Treasurers or Commissioners of the Revenue. For Sheriffs and Regional Jails, no funding will be provided for any equipment except some approved requests for Livescan (Clerks' Technology Trust Funds are not a part of your base budget funds and are handled separately).

COMPENSATION BOARD FY06 BUDGET PRIORITIES

Budget priorities the Compensation Board is following related to additional funding items for your offices that are not a part of your base budget funds approved on May 1st are as follows:

- ◆ Salary increases of 4.4% on Dec. 1, 2005 for all constitutional officers and their employees. The original 3.0% increase passed by the General Assembly for Sheriffs, Superintendents and sworn deputies and jail officers was amended by the Governor to 4.4% and approved by the General Assembly at the April 6 veto session.
- ◆ Reimbursement for attendance at non-Compensation Board-sponsored training events, such as VALECO, LGOC, and the Association's annual meeting will not be provided as additional allowances, but will be reimbursable expenses through any office expense funds available. All Officers will continue to be reimbursed for the approved travel-related expenses associated with attending Compensation Board-sponsored training events such as Lawful Employment and New Officer training.
- ◆ The existing policy restricting transfer of accumulated vacancy funds in Sheriffs Offices and Regional Jails will be continued in FY06. If funds become available during the course of the year, as was the case this year, then these balances may become available at some point during the year. For all other constitutional officers, budget reductions from FY04 were met within the existing base budget for your office, and accrued vacancy savings continue to be available to offset your individual office budget reductions.
- ◆ The only budget reduction from the past few years that has been restored is for Commonwealth's Attorneys' offices. Of the \$5.3 million reduction in FY04, \$1.1 million has been restored in FY06 (half of this amount was restored in FY05) and will be provided in each office's base office expenses. This will be discussed in more detail later.

COMPENSATION BOARD FY06 LEGISLATIVE ISSUES

Sheriffs' Uniforms	SB890/HB1911 amends <u>Code</u> §15.2-1610 & §15.2-1612, and allows Sheriffs to choose uniform colors, markings, etc., other than those previously prescribed in the code that are easily identifiable by the public, of a design and style approved by the sheriff, and worn according to policies established by the sheriff.
Sheriffs' Sale of Mobile Home	HB1892 amends <u>Code</u> §8.01-156, and authorizes the sheriff, pursuant to an action of ejectment or unlawful detainer and at the request of the owner of the property upon which the home is located, to move a manufactured home to a designated storage area. Any excess costs relating to disposal of a manufactured home that remain after a sheriff's sale shall be paid by the owner of the property from which the home was removed. The sheriff may refuse to remove or dispose of a manufactured home until the owner of the real property pays to the sheriff the estimated removal and disposition costs.
Sheriffs' Emergency Response Costs	HB1514 amends <u>Code</u> §15.2-1716, and allows a locality to adopt an ordinance making a person convicted of certain traffic infractions or crimes liable in a separate civil action for reasonable expenses incurred by the sheriff's office for emergency response to an accident related to the violation.
Clerks' Office Funding	SJ336 establishes a joint subcommittee to study the operations of Circuit Court Clerks' offices that will provide an executive summary of its findings and recommendations no later than the first day of the 2008 Regular Session of the General Assembly.
Technology Trust Fund (TTF)	SB902 amends <u>Code</u> §17.1-279, and prohibits transfers from the Technology Trust Fund Fee for purposes not specifically enumerated in the law, including transfers to the general fund.
Electronic Recording of Real Property	SB992 amends <u>Code</u> §55-108 and adds §§17.1-258.2-258.5 and §§55-142.10-142.15, and implements the Real Property Electronic Recording Act by creating a system for Clerks to accept land records electronically.

COMPENSATION BOARD FY06 LEGISLATIVE ISSUES

Clerks' Copying Costs

HB1706 amends Code §17.1-275, and provides that Clerks shall use the fees paid for copying to recoup the costs of providing the copies, with the balance of the funds paid to the Commonwealth. Funds sufficient to recoup the cost of making copies shall be deposited with the locality, which shall in turn appropriate funds to support copying costs. Such costs shall include lease and maintenance agreements, but shall not include salaries or related benefits.

Access to Court Records

HB2052 amends Code §2.2-3802.2, and extends the sunset clause to July 1, 2007 that allows previously recorded personal information to be posted on a court-controlled website that provides secure remote access as defined by the Virginia Information Technology Agency (VITA) or meet certain other criteria. The bill also provides that Circuit court clerks are immunized against suits arising from any acts or omissions related to providing remote access on the Internet so long as the clerk was not grossly negligent and did not engage in willful misconduct.

COMPENSATION BOARD FY06 SPECIFIC BUDGET ISSUES SHERIFFS AND REGIONAL JAILS

New Positions:

In addition to 28 law enforcement positions included in the Governor's Budget, the General Assembly approved 2 law enforcement positions, for a total of 30 new positions, to fully comply with 1:1500. The enrolled budget bill also includes \$4.9 million in funding to support 230 positions for the construction of the Middle River Regional Jail and the expansion of the Loudoun County jail, as well as 40 emergency corrections officer positions to address security needs in the most severely overcrowded jails.

Career Development Programs:

The Budget Bill includes language and funding of \$240,089 to establish a Sheriffs' Career Development Program. The Compensation Board will adopt minimum criteria for this program by August 1, 2005, will include a certification process in the fall, and implementation of related salary increases of 3.1% to 9.3% will be effective December 1, 2005. The Career Development Program will include two tracks: one for offices accredited by certain law enforcement standards committees/associations, and offices without such accreditations.

Funding is also included in the Budget Bill in FY06 for 8 additional Sheriffs' offices and 4 regional jail facilities that certified their Master Deputy programs to the Compensation Board prior to July 1, 2004, and are currently not funded for their participation in the program.

Jail Per Diem Payments:

Budget Bill funding for jail per diem payments in FY06 remains the same for FY06 as was originally budgeted. Based on the most recent inmate population forecasts from last Fall, the per diem cost in FY06 of projected inmate growth is \$4.8 million, or approximately 25% of one quarterly payment. This projection will be revised in the upcoming Fall, prior to the 2006 session of the General Assembly, and opportunity still exists in the next session to meet a potential funding need if a shortfall still exists, prior to the payment of the 4th quarter payment in April, 2006.

**COMPENSATION BOARD
FY06 SPECIFIC BUDGET ISSUES
SHERIFFS AND REGIONAL JAILS**

- New Jail Construction:** Due to opening delays of jail construction projects in Fairfax County and the City of Virginia Beach, new jail construction funding has been reduced by \$1.7 million in the current fiscal year. Full funding is available in FY06 for these facilities.
- Federal Overhead Recovery:** Language is included in the enrolled Budget Bill for the Compensation Board to develop options for a per diem recovery method for housing federal and out of state inmates that considers all costs, including the Commonwealth's capital construction costs, in lieu of just staffing costs. The Compensation Board will form a committee to consider this issue and develop a methodology in the fall.
- Jail Contract Bed Program:** The Budget Bill includes funding to increase the jail contract bed program to 500 beds over the course of FY05 and early FY06. The Department of Corrections (DOC) has been working with local and regional jail facilities to expand use of the jail contract bed program as funded in the last session. Additionally, budget language exists requiring DOC to develop a plan to increase the number of beds to 1000 over the next biennium.
- “Return to Custody” Pilot Program:** The Governor's introduced Budget Bill included language for the Department of Corrections to work with the local and regional jail facilities to house probation and parole violators. This language has been amended to clarify the procedures for the program, and additional language has been added authorizing the Compensation Board to pay for the proposed pilot program.
- Moratorium Exemptions:** Jail construction moratorium exemptions have been granted for Culpeper and Loudoun Counties, the City of Roanoke/Salem (joined by Franklin and Montgomery Counties), and the Virginia Peninsula and Pamunkey Regional Jails.

**COMPENSATION BOARD
FY06 SPECIFIC BUDGET ISSUES
COMMONWEALTH'S ATTORNEYS**

New Positions:

The Budget Bill includes language and funding to increase the number of positions provided in the Governors' Budget Bill to 72 (46 assistant attorneys, 20 secretaries, and 6 paralegals), as part of a 3-year plan to meet Commonwealth's Attorneys' total staffing need.

Restoration of Office Expenses:

The 2004 General Assembly approved funding that restored Commonwealth's Attorneys' office expense reductions over the two-year biennium. A total of \$1.1 million is to be restored to the office expense base budgets of Commonwealth's Attorneys, with \$550,000 having been restored in the current year, and the remaining \$550,000 to be restored for FY06. Offices can then transfer these base funds to restore reductions taken from other budget categories.

Conversion of Part-time to Full-Time:

The enrolled Budget Bill includes funding to support the conversion of part-time Commonwealth's Attorneys' offices in Dinwiddie, Greene, and King William counties to full-time status, effective July 1, 2005.

**COMPENSATION BOARD
FY06 SPECIFIC BUDGET ISSUES
CLERKS**

Population Group Change: Language and funding is included to split the Clerk's 100,000 – 249,999 population bracket into two separate groups: 100,000 – 174,999 and 175,000 – 249,999, providing pay increases for Clerks in the new 175,000 – 249,999 population bracket effective December 1, 2005. The new salary for these officers effective December 1, 2005, including the 4.40% salary increase also provided December 1, 2005, will be \$122,291.

Technology Trust Funds: Appropriation Act language provides for the continued use of \$1.49 million of Technology Trust Funds (TTF) in FY06 to offset general fund budget reductions. As requested by the Virginia Court Clerks Association (VCCA) in FY04, the Compensation Board has continued to offset general operating budget reductions by this amount.

The enrolled Budget Bill also includes an increase in the appropriation for TTF from \$5,002,345 to \$11,725,965 to match projected non-general fund revenue in FY06, and as a means of providing an appropriation when the year begins for allocating cash collections back to Clerks. The current structure requires that the Department of Planning and Budget (DPB) to appropriate prior year cash balances in order for the Compensation Board to allocate funding. The additional appropriation should eliminate this step for up to the amount appropriated. Any additional cash requirements will still need to be appropriated with approval from DPB.

The Appropriation Act also includes a transfer of \$115,696 of TTF to the General Fund in FY06.

**COMPENSATION BOARD
FY06 SPECIFIC BUDGET ISSUES
CLERKS**

**Career Development
Programs:**

Language is provided for the development of career development programs for Circuit Court Clerks and Deputy Court Clerks, including language which authorizes the use of Technology Trust Funds for consulting services of the National Center for State Courts.

Sentencing Event Orders:

Language is included in the Budget Bill requiring the Circuit Court Clerk to provide copies to the Commonwealth's Attorney of sentencing event orders submitted to the Virginia Criminal Sentencing Commission, upon request of the Commonwealth's Attorney.

**COMPENSATION BOARD
FY06 SPECIFIC BUDGET ISSUES
TREASURERS, FINANCE DIRECTORS, and
COMMISSIONERS OF THE REVENUE**

**Career Development
Programs:**

Language and funding were provided in the Appropriation Act for the implementation of a deputy Treasurers Career Development Program in FY06, including the associated 9.3% salary increases effective December 1, 2005. Certification for participation was completed during the fiscal year 2006 budget process in January, and the approved salary increases for December will be displayed in the approved budget provided on May 1.

Language and funding were provided in the Appropriation Act for the implementation of a deputy Commissioners Career Development Program in FY06, including the associated 9.3% salary increases effective December 1, 2005. Certification for participation was completed during the fiscal year 2006 budget process in January, and the approved salary increases for December will be displayed in the approved budget provided on May 1.

**COMPENSATION BOARD
FY06 SPECIFIC BUDGET ISSUES
ALL OFFICES**

Salary Increases:

The 2005 General Assembly has provided for a 4.4% increase effective December 1, 2005, for all constitutional officers and their employees. The original 3.0% increase passed by the General Assembly for Sheriffs, Superintendents and sworn deputies and jail officers was amended by the Governor to 4.4% and approved by the General Assembly at the April 6 veto session. This will be an across the board salary increase for all Compensation Board funded permanent positions. No performance-based pay increases have been provided.

Appeals Moratorium:

The General Assembly has continued language in the Appropriation Act providing for a moratorium on appeals from constitutional officers against budgets set by the Compensation Board. This moratorium extends through FY06.

June Payroll Shift:

Based upon action by the 2002 Session of the General Assembly, the Compensation Board's reimbursement cycle for fiscal year payroll and expenses has permanently changed. While the Compensation Board has always reimbursed expenditures one month in arrears, prior to FY02 it included an accelerated schedule in June to reimburse both May and June expenditures prior to the end of the fiscal year. In FY02, localities did not receive a reimbursement for June expenditures. Instead, June 2002 expenditures were reimbursed in the month of July 2002, or the beginning of FY03. In FY03, localities received reimbursements for the months of June through May. Since FY04, this reimbursement schedule has remained the same, with localities receiving reimbursement payments for the months of June through May in the months of July through June. This has not changed the budget cycle for the fiscal year, however, which is still established on a fiscal year cycle, beginning July 1 and ending June 30. Because of this change, officers should keep in mind that expenditures in the month of June of each year will be reimbursed out of budgeted funds available for the following fiscal year.

**COMPENSATION BOARD
FY06 REIMBURSEMENT POLICIES
FUNDING LEVELS**

OFFICER SALARIES

**Sheriffs/Reg Jails,
Commonwealth's Attorneys,
and Clerks:**

100% of Appropriation Act amount.

**Treasurers and
Commissioners:**

50% of 1980 salary amount plus 100%
of all increases to Appropriation Act amount.

OFFICER BENEFITS

**Sheriffs/Reg Jails and
Commonwealth's Attorneys:**

FICA at 7.65% and VRS retirement at actual rate, not
to exceed 3.91%, paid on 100% of approved salary
amounts. Contributions for VRS Group Life Insurance
will not be required in FY06, and consequently will not
be reimbursed.

Clerks:

Benefit rates as stated above, paid on one-third of
approved salary amounts.

**Treasurers and
Commissioners:**

Benefit rates as stated above, paid at same
percentage level as officer's salary.

**FULL-TIME PERMANENT STAFF SALARIES
& TEMPORARY (HOURLY/WAGE) STAFF SALARIES**

**Sheriffs/Reg Jails,
Commonwealth's Attorneys,
and Clerks:**

100% of Compensation Board approved amount.

**Treasurers and
Commissioners:**

50% of Compensation Board approved amount.

Exception: Reimbursement amounts for Medical, Treatment, Classification, and
Records positions in Sheriffs' offices and regional jails represent 2/3rds of the total
salary approved by the Compensation Board.

**COMPENSATION BOARD
FY06 REIMBURSEMENT POLICIES
FUNDING LEVELS**

**FULL-TIME PERMANENT STAFF BENEFITS
& TEMPORARY (HOURLY-WAGE) STAFF BENEFITS**

Sheriffs/Reg Jails and

Commonwealth's Attorneys: FICA at 7.65% for full-time staff and hourly staff, and VRS retirement at actual rate, not to exceed 3.91% for full-time staff only, paid on 100% of approved salary amounts. Contributions for VRS Group Life Insurance will not be required in FY06, and consequently will not be reimbursed.

Clerks: Benefit rates as stated above, paid on one-third of approved salary amounts.

**Treasurers and
Commissioners:**

Benefit rates as stated above, paid on one-half of approved salary amounts.

OFFICE EXPENSES (Sheriffs includes vehicle expenses)

**Sheriffs/Reg Jails,
Commonwealth's Attorneys,
and Clerks:** 100% of Compensation Board approved amount. However, base budget amounts for Sheriffs and Clerks were eliminated in FY04, and only minimal amounts will be budgeted in FY06 in offices that had approved base transfers from another budget category in the last two years.

**Treasurers and
Commissioners:**

50% of Compensation Board approved amount.

EQUIPMENT

Sheriffs/Reg Jails:

Funding provided for approved LIVESCAN equipment only. Percentage approved is based on the stress factor for the locality. Due to budget reductions, no other funding is provided in FY06 for equipment.

**COMPENSATION BOARD
FY06 REIMBURSEMENT POLICIES
FUNDING LEVELS**

EQUIPMENT (cont.)

**Commonwealth's Attorneys,
Treasurers and
Commissioners:**

Due to budget reductions, no funding is provided in FY06 for equipment.

Clerks:

Clerks' technology funding approvals will be determined after final collection amounts for FY05 are ascertained. A stress factor will not be applied. An estimate of fiscal year 2006 technology trust funds was provided in March of 2005 to assist in automation planning for the upcoming fiscal year.

**MEETING AND CONFERENCE
EXPENSES**

All Officers:

We anticipate continuing to offer programs in FY06 for new officers, new deputy clerks, treasurers, commissioners, and commonwealth's attorneys' office administrators, for jail management, and for lawful employment practices. Training will also be provided for the implementation of the new COIN reimbursement and personnel processing system. Reimbursement will continue to be provided for expenses related to attendance at these training programs. **No other additional funding is available for reimbursement of attendance at non-Compensation Board sponsored training events, although it is reimbursable through existing office expense funding.**

**SUBSTITUTE PROSECUTOR
EXPENSES**

**Commonwealth's
Attorneys Only:**

Reimbursement not to exceed \$50 per hour plus expenses only provided for "part time" Commonwealth's Attorneys or assistants.

Direct reimbursement of travel expenses to all Commonwealth's Attorneys and assistant Commonwealth's Attorneys not requesting hourly rate reimbursement.

**COMPENSATION BOARD
FY06 REIMBURSEMENT POLICIES
FUNDING LEVELS**

**EMERGENCY MEDICAL
EXPENSES**

Jails Only:

Based upon the recommendation of the Emergency Medical Review Panel, the Compensation Board may reimburse localities for costs of emergency medical care for state responsible inmates, not to exceed \$377,010 per year statewide

EXCEPTION TO TREASURERS' FUNDING LEVELS:

100% of all Compensation Board approved expenses are reimbursed for the cities of Galax, Lynchburg, Richmond, and beginning in fiscal year 2006, Franklin City. However, the Treasurer's office in the City of Galax will only be funded through December 31, 2005, after which the office will be closing. 2/3rds of all Compensation Board approved salary and office expenses are reimbursed for the cities of Danville and Williamsburg.